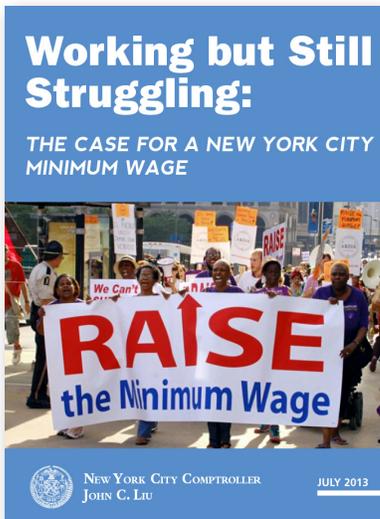


WORKING BUT STILL STRUGGLING:

THE CASE FOR A NEW YORK CITY MINIMUM WAGE

JULY 2013



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NEW YORK CITY
COMPTROLLER
JOHN C. LIU

REPORT SUMMARY

This study examines the possibility of increasing the minimum wage in New York City.

The report utilizes U.S. Census data from the Current Population Survey to analyze the wages of low-income workers in New York City. The study also depends on cost of living data from the Council for Community and Economic Research's ACCRA/COLI index to make cost of living comparisons. In addition, the report reviews previous studies of the impact of state and municipal minimum wage increases on the employment and earnings of low-wage workers.

KEY FINDINGS

- New York State's minimum wage will increase between 2014 and 2016, up to \$9.00 per hour. However, the benefits of this increase are undermined by the concurrently passed Minimum Wage Reimbursement Credit, which offers employers financial incentives to cut the pay of low-wage workers.
- The minimum wage has fallen dramatically below the cost of living in New York City.
- Low-wage New Yorkers are disproportionately black or Hispanic, and live in the outer boroughs.
- Most low-wage workers have finished high school or even attended college. Currently only 10 percent are students. Low-wage workers are not just teenagers. They are of all ages.
- Studies of states and cities that increased their minimum wage show little measurable impact on unemployment. These increases benefitted low-wage workers.

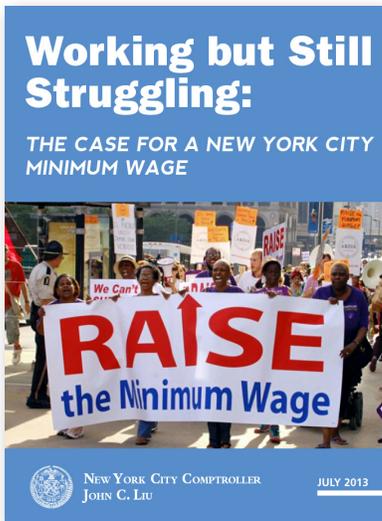
RECOMMENDATIONS

- Increase New York City's minimum wage to \$11.50/hour.
- Phase the increase in over five years to allow time for businesses to adjust and for unforeseen impacts to be addressed.
- Keep New York City's minimum wage above the New York State minimum wage to avert perverse state incentives for employers to cut wages.
- Index New York City's minimum wage to inflation.

continued

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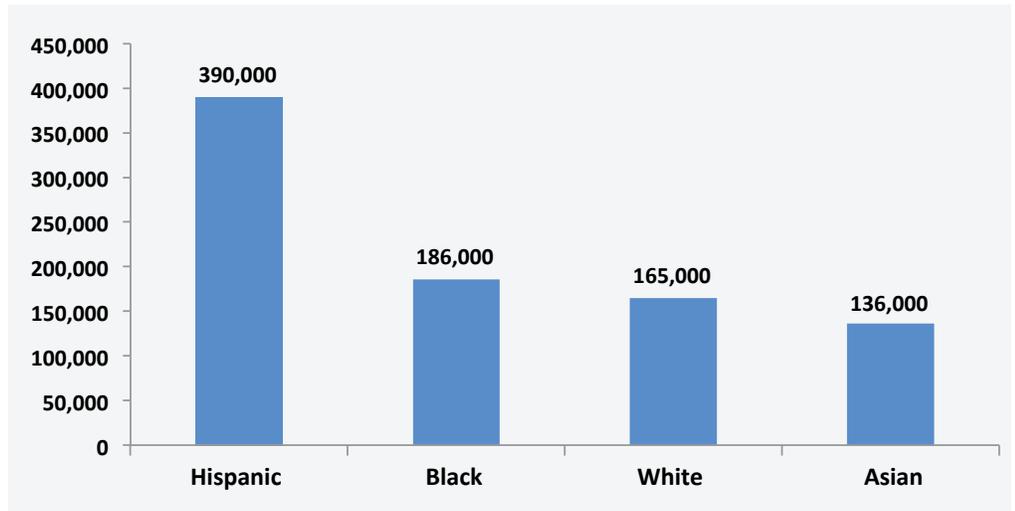
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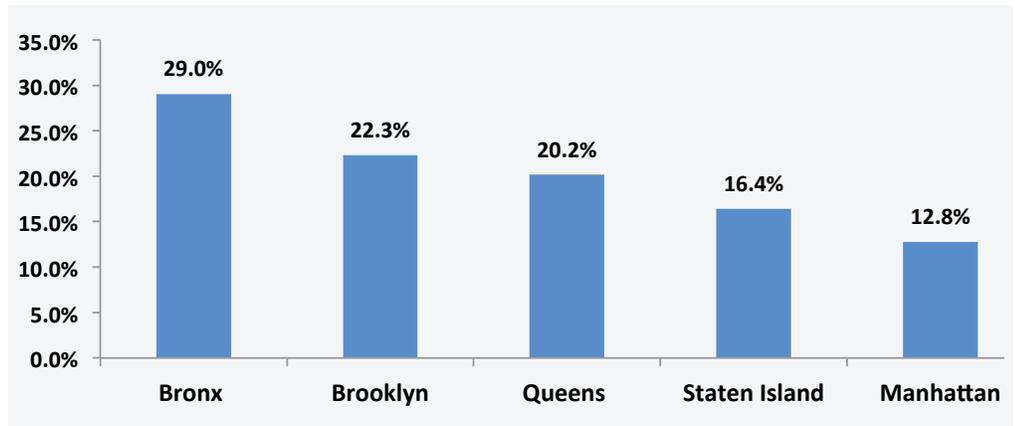
KEY GRAPHS

WORKING POOR NEW YORK CITY RESIDENTS, BY RACE



Source: 2011 American Community Survey, Individuals living in households with household income below federal poverty levels.

NYC RESIDENTS EARNING < \$11.50/HOUR LIVE DISPROPORTIONALLY IN OUTER BOROUGHES



Source: Current Population Survey 9/2011-8/2012, NYC Comptroller's Office imputed estimates.